



News from

Congressman Ron Kind

REPRESENTING WISCONSIN'S THIRD
CONGRESSIONAL DISTRICT

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Kind Succeeds in Sparing Rural Hospitals from Harmful Rule Change

In Response to Efforts, Feds Back Away from Restrictive Regulation

Washington, DC – Rural hospitals scored a major victory with the announcement that the Centers for Medicare and Medicaid Services (CMS) has backed away from imposing a new regulation that would have significantly threatened federal reimbursements to the 52 critical access hospitals (CAHs) serving Wisconsin's rural communities. U.S. Rep. Ron Kind (D-WI), who is a leader of the Rural Health Care Coalition in the House, led the effort in pressuring CMS to drop the proposed rule which would have denied reimbursements to CAHs if they relocated to a newer or more efficient building at a distance greater than 250 yards.

"This news is a great victory for both rural providers and the patients who depend on critical access hospitals for quality, accessible health care," stated Rep. Kind upon receiving the news. "Keeping CAHs in the communities in which they were originally authorized to serve is a common-sense idea. Imposing an arbitrary designation of 250 yards for relocations, which are mainly pursued for expansion and upgrade purposes, would have been far too restrictive."

In June, Rep. Kind authored a bipartisan letter to Secretary of Health and Human Services Michael Leavitt opposing the proposed 250-yard relocation rule. Kind later offered an amendment to the Labor-Health and Human Services-Education appropriations bill that sought to block the new rule. Kind eventually withdrew his amendment with a verbal commitment from the majority leadership to work together to address the issue. The rule was officially abandoned ten days later on August 1, when CMS announced it would adopt a less restrictive measure designed to keep CAHs accessible to the rural communities they serve.

"The decision to drop what amounted to a ban on critical access hospital relocations is a major victory for rural healthcare," said Wisconsin Hospital Association President, President, Steve Brenton. "We are most appreciative of Congressman Kind's leadership in getting CMS to back away from interfering with decisions that are rightly made in rural communities by rural community leaders."

"Thanks to Congressman Ron Kind's early leadership, the Medicare administrators did the right thing by backing off the proposed building on rural hospitals," said Rural Wisconsin Health Cooperative Executive Director Tim Size.

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Instead of the arbitrary 250-yard relocation rule, the adopted CMS regulation allows a CAH provider to relocate if the facility in its new location meets all three of the “75-percent” criteria. That is, 75 percent of the patients must come from the same service area as before the relocation; 75 percent of the services must be the same as at the prior facility; and 75 percent of the staff must be the same as at the prior facility.

Critical access hospitals were created in 1997 to assure that rural Americans have access to quality health care. The reimbursement policy for CAHs has saved numerous hospitals, which are often the largest economic forces in their small communities. In many instances, these facilities are located on small campuses in the middle of residential neighborhoods with no room to expand, and relocation proves to be the most appropriate, and sometimes the only, alternative.